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GUIDELINES

TO: NSR Permitting

FROM: Regg Olsen, Permitting Branch Manager RDO 3/6/14

SUBJECT: Guidance for $PM_{2.5}$ Offsetting Post $PM_{2.5}$ SIP Approval

DATE: March 6, 2014

On December 4, 2013, The Utah Air Quality Board approved the $PM_{2.5}$ State Implementation Plan (SIP) which simply references 40 CFR 51 Appendix S (Appendix S) for offsetting requirements. The approved SIP designates SO_2, VOC and NOx as precursors to $PM_{2.5}$. This means new major sources or modifications to major sources, in a $PM_{2.5}$ nonattainment area, with significant increases in $PM_{2.5}$, SO_2, NOx, or VOC need to obtain offsets. The Permitting Branch's February 17, 2011 interim guidance for $PM_{2.5}$ offsetting, also based on Appendix S, did not include VOC or NOx as precursors. This guidance document has been amended to include all $PM_{2.5}$ precursors.

Significance

The significance levels for $PM_{2.5}$ nonattainment areas are:

$PM_{2.5}$	10 tpy (Appendix S)
SO_2	40 tpy (Appendix S)
NOx	40 tpy (Appendix S)
VOC	40 tpy (R3-7-403-1(4)(b))

Significant increases in $PM_{2.5}$, SO_2, NOx, and/or VOC require offsetting.

Interpollutant Trading

DAQ will use the same interpollutant offsetting policy currently followed for PM_{10} offsetting; offsets obtained shall be from the same regulated NSR pollutant except the primary nonattainment pollutant ($PM_{2.5}$ in this case) may be used to offset precursor pollutants (SO_2, NOx, and VOC). This means $PM_{2.5}$ can only be offset with $PM_{2.5}$ but SO_2, NOx, and VOC may be offset with $PM_{2.5}$.

Offset Ratio

In accordance with Appendix S, $PM_{2.5}$ offsets for PM2.5, SO_2, NOx, and/or VOC must provide a "positive net air quality benefit" to the nonattainment area. The offset ratio is set at 1:1 with rounding up to the next full ton. For example:

> With a significant $PM_{2.5}$ increase of 18.05 tpy = 18.05 X 1 (offset ratio) = 18.05 tpy, rounded up to the next full ton means 19 tpy of $PM_{2.5}$ is required to be offset.
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> With a significant NOx increase of 40.0 tpy = 40.0 X 1 (offset ratio) = 40.0 tpy, rounded up to the next full ton means 41tpy of $PM_{2.5}$ or NOx (or a combination of both) is required to be offset.
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> With a significant SO_2 increase of 41.05 tpy = 41.05 X 1 (offset ratio) = 41.05 tpy, rounded up to the next full ton means 42.0 tpy of $PM_{2.5}$ or SO_2 (or a combination of both) is required to be offset.

$PM_{2.5}$ Emission Credit Registry

Depending on which designated $PM_{2.5}$ nonattainment area a major source with significant increases in $PM_{2.5}$, SO_2, NOx, and/or emissions is located in, determines from which emission credit registry offsets can be used.

Sources requiring $PM_{2.5}$ offsets located in the **Provo City, Utah $PM_{2.5}$ nonattainment area** (Utah County) must obtain credits from the Provo City Registry.

Sources requiring $PM_{2.5}$ offsets located in the **Salt Lake City, Utah $PM_{2.5}$ nonattainment area** (includes Salt Lake County, Tooele County, Davis County, Weber County, and Box Elder County) must obtain credits from the Salt Lake City $PM_{2.5}$ Registry.

Sources requiring $PM_{2.5}$ offsets located in the **Logan City, Utah/Idaho $PM_{2.5}$ nonattainment area** (Cache County) must obtain credits from the Logan City $PM_{2.5}$ Registry.

This Guideline shall be audited every two years by the Major NSR Permits Manager to determine the current status and relevance of the information.